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Item 2

Staff Study on Psychological Strategy Planning
Tasks with Regard to Southeast Asia

Summary: This item reflects need for a psychological strategy plan for Southeast Asia to be prepared concurrently with an NSC policy paper on the same subject (now in preparation).

A CIA staff review of the PSB study finds it admirably suited for the detailed development of a strategic plan for this area. However, it is suggested that when a PSB panel is assigned to develop this strategic plan it should give special attention to a reexamination of certain assumptions--particularly the following:

1. Japan will fill the Pacific "power vacuum" as a consequence of the Pacific treaties (especially the Japanese Peace Treaty) recently concluded.
2. Japanese trade with the Chinese mainland will be eliminated.
3. Japanese trade with Southeast Asia will expand without external restraints.

CIA would be inclined to give special weight to the following factors:

- (1) that overseas Chinese businessmen dominate Southeast Asia's economy;
- (2) that Indonesia is the major source of oil in Southeast Asia; (3) that considerations of political reforms in Thailand should recognize traditional social and political factors; and (4) Indochina and Burma are the countries "most threatened."

Recommendation: That you approve the development by the PSB Staff of a psychological strategy plan for Southeast Asia.

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